THE UNITED STATES ARMY NONAPPROPRIATED FUND EMPLOYEE 401(k) SAVINGS PLAN

EFFECTIVE
1 JANUARY 2001

DEPARTMENT OF THE ARMY
U.S. ARMY COMMUNITY AND FAMILY SUPPORT CENTER
ALEXANDRIA, VIRGINIA 22302-4407

THE UNITED STATES ARMY NONAPPROPRIATED FUND EMPLOYEE 401(k) SAVINGS PLAN RESTATED PLAN

EFFECTIVE 1 JANUARY 2001

Pursuant to the authority of the Secretary of the Army and as prescribed in DOD 1401.1M, Personnel Policy Manual for Nonappropriated Fund Instrumentalities, and in Army Regulation 215-1, the Commander, Community and Family Support Center, established a 401(k) plan for civilian employees of the United States Army Nonappropriated Fund Instrumentalities, effective 1 JANUARY, 1992. The United States Army Nonappropriated Fund Employee 401(k) Savings Plan (the "Plan") is hereby restated in its entirety effective as of 1 January 2001.

The Plan is intended to satisfy the rules of the Internal Revenue Code of 1986, as it may be amended, concerning the retirement plans of governmental employers. In accordance with rules of the Treasury Department and the Internal Revenue Service, any individuals participating in the Plan shall be deemed to be employed by the Employer.

TABLE OF CONTENTS

ARTICLE	Р	age
I D	EFINITIONS	1
1 1 1	.1 Accounts	1 1 1 1
1 1 1	.6 Commander	2 2 2 3 3
1 1 1	.11 Effective Date	4 4 5 5
1 1 1	.16 Employer Account .17 Employer Contribution .18 Entry Date .19 Highly Compensated Employee .20 NAFI	5 5 5 5
1 1 1	21 Nonhighly Compensated Employee	6 6 7 7
1 1 1	26 Pretax Contribution 27 Rollover Account 28 Spouse 29 Trust 30 Trustee	
	1.31 Valuation Date	8

ĮĮ	ELIG	IBILITY FOR PLAN PARTICIPATION	11
	2.1	Eligibility	11
	2.2	Employees Not Eligible	
	2.3	Eligibility Upon Reemployment	
	2.4	Notification of Eligible Employees and	
	77.10.0	Entry into Plan	12
	2.5	Individuals Electing Coverage	
	2.6	Employees Electing Out of Coverage	15
III	PRET	AX AND ROLLOVER CONTRIBUTIONS	17
	3.1	Pretax Contributions	
	3.2	Change of Contribution Level	
	3.3	Suspension of Contributions	18
	3.4	Manner of Pretax Contributions	18
	3.5	Remittance and Allocation of Pretax	
		Contributions	
-	3.6	Rollover Contributions and Transfers	19
	3.7	Catch-up Contributions	20
IV	EMPL	OYER CONTRIBUTIONS	21
	4.1	Employer Contributions	21
	4.2	Remittance of Employer Contributions	21
	4.3	Disposition of Forfeitures	22
	4.4	Return of Employer Contributions	
V	NOND	ISCRIMINATION REQUIREMENTS AND MAXIMUM	
	ANNU	AL ADDITION	23
	5.1	Nondiscrimination Requirements for Pretax	
		Contributions	23
	5.2	Excess Pretax Contributions	24
	5.3	Nondiscrimination Requirements for Employer	_
		Contributions	26
	5.4	Excess Aggregate Contributions	27
	5.5	Additional Nondiscrimination Limitation	28
	5.6	Annual Addition Limitation	30
	5.7	Limitation for Participants in a	
		Combination of Qualified Defined Contribution	
		and Defined Benefit Plans	32

Λİ	PART	ICIPANT ACCOUNTS	34
	6.1	Employee Account	34
	6.2	Rollover Account	
	6.3	Employer Account	34
	6.4	Valuation of Assets	34
	6.5	Allocation of Investment Results	35
VII	INVE	STMENT OF CONTRIBUTIONS	36
	7.1	Investment Funds	36
	7.2	Election of Investment Fund for	
		Contributions	36
	7.3	Change in Election of Investment Fund for Future	2.5
	A	Contributions	37
	7.4	Change in Election of Investment Fund for Past Contributions	37
		Concribations	י כ
VIII	WITH	DRAWALS	38
	8.1	Hardship Withdrawals	38
	8.2	Loans from Accounts	
IX	ENTI	TLEMENT TO BENEFITS	52
	9.1	Retirement	52
	9.2	Disability	
	9.3	Termination of Employment and Vesting	53
	9.4	Forfeitures	
	9.5	Death	
	9.6	Beneficiary	56
	٥.٠	Deficitionary	
X	DIST	RIBUTION OF BENEFITS	58
	10.1	Form of Benefit Payment	58
		Benefit Commencement	
		Direct Rollovers	
XI	AMEN	DMENT AND TERMINATION	64
			2
		Right to Amend or Terminate	64 65
	11 2	ASSET ALLOCATION	0 -

XII	ADMINISTRATION	66
	12.1 Appointment of Benefits Program Manager	66
	12.2 Powers and Duties of Benefits Program	
	Manager	66
	12.3 Trust	67
	12.4 Investment of Plan Assets	
	12.5 Expenses	68
XIII	MISCELLANEOUS	70
	13.1 Claims Procedure	70
	13.2 Assignment or Alienation	70
	13.3 No Guarantee of Employment	71
	13.4 Number and Gender	71
	13.5 Use of Subheadings	71
		72

æ.

ARTICLE I

DEFINITION

- Section 1.1 "Accounts" shall mean, with respect to any Participant, his Employee Account, Rollover Account, and Employer Account. "Account" shall mean any one (1) of the foregoing "Accounts."
- Section 1.2 "Beneficiary" shall mean the person, persons, entity or estate of a deceased Participant designated to receive benefits under Section 9.6 of Article IX.
- Section 1.3 "Benefits Program Manager" shall mean the individual appointed by the Commander for purposes of administering the Plan, including any functions not specifically the responsibility of the Trustees.
- Section 1.4 "Break in Service" shall mean a twelve (12) month period ending on an anniversary of the Employee's date of employment during which the Employee does not perform services.
- Section 1.5 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

Section 1.6 "Commander" shall mean the Commander, United

States Army Community and Family Support Center, who shall be considered the employer in the aggregate.

Section 1.7 "Contribution Percentage" shall mean, for any
Plan Year, the ratio for each Eligible Employee of Employer
Contributions, if any, made to the Plan and allocated to such
Eligible Employee for such Plan Year in accordance with Article
IV, to such Eligible Employee's Earnings for such Plan Year.

"Average Contribution Percentage" shall mean, for any Plan Year,
the average of the ratios determined under this Section 1.7 for
(i) the group of Eligible Employees who are Highly Compensated
Employees and (ii) the group of Eligible Employees who are
Nonhighly Compensated Employees.

Section 1.8 "Deferral Percentage" shall mean, for any Plan
Year, the ratio for each Eligible Employee of Pretax
Contributions, if Any, made to the Plan by the Employer on
behalf of such Eligible Employee for such Plan Year to such
Eligible Employee's Earnings for such Plan Year. "Average
Deferral Percentage" shall mean, for any Plan Year, the average
of the ratios determined under this Section 1.8 for (i) the
group of Eligible Employees who are Highly Compensated Employees
and (ii) the group of Eligible Employees who are Nonhighly
Compensated Employees.

Section 1.9 "Disability" shall mean a physical or mental condition that renders a Participant unable to perform useful and efficient service in his position or any other position offered by the Employer of the same grade or class, as determined by a qualified medical authority who has been approved by the Benefits Program Manager. "Disabled Participant" shall mean a Participant who has incurred a "Disability".

"Earnings" shall mean a Participant's annual Section 1.10 compensation paid by the Employer, as reported to the Internal Revenue Service on the Form W-2 for income tax purposes, plus Pretax Contributions for the year and any pre-tax contributions for health benefits but excluding taxable special duty and location allowances and imputed income taxable under Code section 79. Effective as of 1 January 1997, Earnings shall not include lump sum payments of annual leave, separation incentives or severance pay. Effective as of 1 July 1999, Earnings shall not include retention allowances, recruitment bonuses, or relocation allowances. In the case of an individual who has made the election to remain covered by the Plan pursuant to Section 2.5 of Article II, Earnings shall mean the compensation reported to the Benefits Program Manager by the individual's employing agency.

Notwithstanding anything herein to the contrary, effective for Plan Years beginning after 31 December 1995, the annual compensation of a Participant for the foregoing purposes shall be subject to the maximum limits imposed under Section 401(a)(17) of the Code; provided that for a person who becomes a Participant before 1 January 1996, the annual compensation limit of Section 401(a)(17) of the Code shall not apply to the extent that the application of the limit would reduce the amount of Compensation that is allowed to be taken into account under the Plan as in effect on 1 July 1993.

Section 1.11 "Effective Date" shall mean 1 January 1992. The effective date of this Restated Plan is 1 January 2001.

Section 1.12 "Eligible Employee" shall mean an Employee who is eligible to participate in the Plan in accordance with Article II.

Section 1.13 "Employee" shall mean a civilian employee occupying a regular position, as defined by Army Regulation 215-3, of any Employer. A person is not an "Employee" at any given time unless, at such time, the Employer, in accordance with its standard personnel policies, treats that person as a common-law employee. Any later determination that the person was a common-law employee of the Employer during such period shall not control.

Section 1.14 "Employee Account" shall mean the account established for a Participant in accordance with Section 6.1 of Article VI.

Section 1.15 "Employer" shall mean a NAFI participating in this Plan.

Section 1.16 "Employer Account" shall mean the account established for a Participant in accordance with Section 6.3 of Article VI.

Section 1.17 "Employer Contribution" shall mean the contribution made by the Employer, if any, under Section 4.1 of Article IV.

Section 1.18 "Entry Date" shall mean the first day of the payroll period coincident with or immediately following the first day of each calendar quarter during which the Plan is in effect.

Section 1.19 "Highly Compensated Employee" shall mean an Eligible Employee who is highly compensated within the meaning of Code Section 414(q).

Section 1.20 "NAFI" shall mean a United States Army

Nonappropriated Fund Instrumentality established by authority of
the Secretary of the Army, pursuant to Army Regulation 215-1,
for the purpose of administering monies not appropriated by the

Congress for the benefit of military personnel or civilian employees of the Army. Additionally, "NAFI" shall mean NAFIs of the Department of Defense and other agencies for which the Army has executive agent responsibilities; these are the Defense Logistics Agency, Defense Mapping Agency, Defense Intelligence Agency, the Department of Defense Concessions Committee, civilian NAFIs on Army installations such as post restaurants and civilian welfare funds controlled by the board of directors, Army and Air Force Civilian Welfare Fund.

Section 1.21 "Nonhighly Compensated Employee" shall mean an Eligible Employee other than a Highly Compensated Employee.

Section 1.22 "Normal Retirement Date" shall mean the later of age sixty-two (62) or completion of three (3) Years of Service.

Section 1.23 "Participant" shall mean an Employee who meets the eligibility requirements of Article II or an Employee or former Employee for whom an Employee Account, a Rollover Account and/or an Employer Account is maintained. "Participant" shall also mean an individual who has elected to be covered under the Plan pursuant to Section 2.5 of Article II hereof. Solely for purposes of Section 3.1 of Article III and Section 4.1 of Article IV, the term "Participant" shall not include an Employee who is a Participant solely because a Rollover Account is being maintained on his behalf.

Section 1.24 "Plan" shall mean the United States Army

Nonappropriated Fund Employee 401(k) Savings Plan, as provided herein.

Section 1.25 "Plan Year" shall mean the twelve (12) consecutive calendar month period beginning 1 January of any year.

Section 1.26 "Pretax Contribution" shall mean the portion of a Participant's Earnings which the Employer contributes to the Plan on his behalf in accordance with Section 3.1 of Article III.

Section 1.27 "Rollover Account" shall mean the account established for a Participant in accordance with Section 6.2 of Article VI.

<u>Section 1.28</u> "<u>Spouse</u>" shall mean the legally married wife or husband of a Participant.

Section 1.29 "Trust" shall mean the Trust established in accordance with Section 12.3 of Article XII to hold and invest Plan assets.

Section 1.30 "Trustee" shall mean the individuals or entity with whom or with which the Commander enters into an agreement to establish the Trust to hold Plan assets.

Section 1.31 "Valuation Date" shall mean the last business day of each Plan Year and any interim date during the Plan Year on which Plan assets are valued.

Section 1.32 "Year of Service" shall mean a twelve (12) month period of employment calculated as follows:

- (a) For periods of employment prior to 1 January

 1966, one (1) Year of Service shall be earned for
 each twelve (12) consecutive calendar month
 period of employment beginning with an Employee's
 date of employment as a full-time employee with a

 NAFI other than the Army and Air Force Exchange
 and Motion Picture Services, and ending with the
 earlier of termination of employment, death or
 retirement, provided that no break in employment
 in excess of ninety (90) days occurred.
- (b) For periods of employment after 1 January 1966, one (1) Year of Service shall be earned for each twelve (12) consecutive calendar months of employment beginning with an Employee's date of employment and ending with earliest of termination of employment, death or retirement.
- (c) A Participant who was a full-time employee at a

 DOD NAFI other than the Army and terminated

 employment and was employed by a NAFI as defined

in Section 1.20 within ninety (90) days, such Participant shall be credited with Years of Service for service with the former NAFI.

- If an Employee moves or has moved between (d) employment covered by the Civil Service Retirement System (CSRS) or the Federal Employee Retirement System (FERS) and employment covered hereunder, and such Employee has made an election pursuant to Section 2.5 and the Portability of Benefits for Nonappropriated Fund Employees Act of 1990 (P.L. 101-58) or the National Defense Authorization Act for Fiscal Year 1996 (P.L. 104-106) and regulations thereunder to continue coverage under this Plan during periods of service that would otherwise be covered as CSRS or FERS service, service rendered as an employee covered by CSRS or FERS shall be credited as Years of Service under the Plan.
- (e) Notwithstanding any provision to the contrary, Years of Service shall not include service completed by an Employee who has made an election pursuant to Section 2.2(d) to remain covered under CSRS or FERS.

(f) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code. This provision is effective October 13, 1996 with respect to reemployments initiated on or after December 12, 1994.

ARTICLE II

ELIGIBILITY FOR PLAN PARTICIPATION

Section 2.1 Eligibility

Each Employee, except an Employee described in Section 2.2, shall be eligible to participate in the Plan.

Section 2.2 Employees Not Eligible

An Employee shall not be eligible to participate in the Plan if:

- (a) He is domiciled outside of the fifty (50) states of the United States, the District of Columbia, or Puerto Rico, and is neither a United States citizen nor the wife or child of a United States citizen;
- (b) He is an employee of the Army and Air Force Exchange Service;
- (c) He is a "leased employee" as defined in Code Section 414(n); or
- (d) He has made an election pursuant to the

 Portability of Benefits for Nonappropriated Fund

 Employees Act Of 1990 (P.L. 101-508) or the

 National Defense Authorization Act for Fiscal

 Year 1996 (P.L. 104-106) and regulations of the

 office of Personnel Management at Title 5, Code

of Federal Regulations Part 847 and in accordance with Section 2.6 of Article II to remain covered by the Civil Service Retirement System (CSRS) or the Federal Employee Retirement System (FERS).

Section 2.3 Eligibility Upon Reemployment

A former-Participant (or a former Employee who had completed one (1) Year of Service but terminated employment prior to becoming a Participant) who is reemployed by the Employer shall be eligible to participate in the Plan as soon as practicable following his reemployment.

Section 2.4 Notification of Eligible Employees and Entry into Plan

The Benefits Program Manager shall notify each Employee of the eligibility requirements and benefits under the Plan prior to the Entry Date on which he first becomes eligible to participate. Each Employee, including a former Participant who is reemployed, who has satisfied the eligibility requirement specified in this Article II shall become a Participant by filing an election with the Benefits Program Manager to have Pretax Contributions made on his behalf in accordance with Section 3.1 of Article III. The Employee's participation shall become effective on the Entry Date coincident with or next following the date on which such Employee files his election or

as soon as practicable thereafter. An Employee shall also be required to make investment elections pursuant to Section 7.2 of Article VII and to designate a Beneficiary pursuant to Section 9.6 of Article IX.

Section 2.5 Individuals Electing Coverage

In accordance with the Portability of Benefits for
Nonappropriated Fund Employees Act of 1990 (P.L. 101-508) or the
National Defense Authorization Act for Fiscal Year 1996 (P.L.
104-106), certain former Employees who move or have moved to
employment covered by the Civil Service Retirement System (CSRS)
or the Federal Employees Retirement System (FERS) may elect to
continue to be covered under the Plan retroactive to the date of
such move, as follows:

- (a) Any vested Participant who moves to employment covered by CSRS or FERS. in a qualifying move occurring on or after August 10, 1996, may elect, within the time limits established by Office of Personnel Management, to remain covered by the Plan for all subsequent periods of employment, and such move shall not be deemed to be a termination of employment hereunder.
- (b) Any vested Participant who moved to employment covered by CSRS or FERS within the Department of Defense or the U.S. Coast Guard in a qualifying

move occurring between January 1, 1987 and August 9, 1996, may elect, within the time limits established by Office of Personnel management, to remain covered by the Plan for all subsequent periods of employment, and such move shall not be deemed to have been a termination of employment hereunder.

- covered by CSRS or FERS in a qualifying move occurring after December 31, 1965 and before
 August 10, 1996, may elect, within the time limits established by Office of Personnel

 Management, to be covered by the Plan retroactive to the date of the qualifying move, and such move shall not be deemed to have been a termination of employment hereunder.
- (d) In testing the contributions on behalf of any such individual under Article V of the Plan, the Benefits Program Manager shall deem the Earnings of such individual to be the compensation reported to the Benefits Program Manager by the employing agency.

Section 2.6 Employees Electing Out of Coverage

Notwithstanding anything herein to the contrary, any Employee who elects, pursuant to the National Defense Authorization Act for Fiscal Year 1996 (P.L. 104-106) and regulations issued by the office of Personnel Management ("Electing Participant"), to remain covered under CSRS or FERS following a qualifying move from a civil service position to a NAFI position shall be treated as having never been eligible to participate in the Plan. Within a reasonable period of time after the Participant's election, the Electing Participant shall receive an amount equal to the sum of:

- (a) The dollar amount of the Electing Participant's

 Pretax Contributions; and
- (b) The value, including gains and losses, of the
 Electing Participant's Rollover Account, if any,
 less applicable income or employment tax
 withholding, based on the inclusion of such
 amounts in wages or income in the year of
 distribution. All remaining amounts, after such
 distribution, in the Employee and Employer
 Accounts of such Electing Participant shall be
 forfeited and, notwithstanding Section 4.3, shall
 reduce the Employer Contribution of the Employer
 or Employers, as determined by the Benefits

Program Manager, for whom the Electing Participant performed services.

ARTICLE III

PRETAX AND ROLLOVER CONTRIBUTIONS

Section 3.1 Pretax Contributions

Subject to the provisions of Subsection 8.1(d) of Article VIII, a Participant may direct the Employer, on forms or by procedures prescribed by the Benefits Program Manager, to make contributions to the Plan on his behalf of a stated whole percentage of his Earnings. Such "Pretax Contributions" shall not exceed fifteen percent (15%) of his Earnings, except that effective as of 1 January 2000, such "Pretax Contributions" shall not exceed twenty-two percent (22%) of his Earnings, and effective as of 1 January 2002, such "Pretax Contributions" shall not exceed one-hundred percent (100%) of his Earnings; furthermore, a Participant's Pretax Contributions shall not exceed such amount as may be permitted under Code Section 402(g) for any Plan Year. Pretax Contributions shall be made from the Participant's Earnings prior to withholding for any Federal and state income tax other than state income tax in states where contributions to plans qualified under Code Section 401(k) are subject to income tax withholding.

Section 3.2 Change of Contribution Level

A Participant may, on forms or by procedures prescribed by the Benefits Program Manager, change his rate of Pretax Contributions. Changes may be made at least quarterly during the Plan Year as prescribed by the Benefits Program Manager and shall become effective on the Entry Date coincident with or next following the election or as soon as practicable thereafter.

Section 3.3 Suspension of Contributions

A Participant may, on forms or by procedures prescribed by the Benefits Program Manager, elect to suspend his Pretax

Contributions. Suspensions may be made at any time during the Plan Year and shall become effective as soon as practicable. A Participant who elects to suspend his Pretax Contributions may resume such Contributions in accordance with procedures prescribed by the Benefits Program Manager. Resumption of Contributions shall commence on the Entry Date coincident with or next following the election or as soon as practicable thereafter.

Section 3.4 Manner of Pretax Contributions

All Pretax Contributions shall be in the form of Employeeauthorized payroll deductions. Such deductions shall be made each payroll period, subject to the change and suspension of contribution provisions of Sections 3.2 and 3.3.

Section 3.5 Remittance and Allocation of Pretax Contributions

Pretax Contributions shall be remitted to the Trustee as soon as practicable after the end of the payroll period during which such Contributions are made and shall be allocated to each Participant's Employee Account.

Section 3.6 Rollover Contributions and Transfers

An Employee may, subject to such uniform and nondiscriminatory terms and conditions as the Benefits Program Manager may establish from time to time, request the Benefits Program Manager to instruct the Trustee to accept, directly or indirectly, a rollover distribution and/or a transfer of the value of the Employee's accounts from the plan of a former employer.

A rollover distribution shall be accepted provided the Employee submits written evidence from the former employer's plan administrator, satisfactory to the Benefits Program Manager, that such rollover distribution is an "eligible rollover distribution," as defined in Code Section 402(c)(4). The Benefits Program manager shall be entitled to rely upon such written evidence.

A transfer of accounts shall be accepted only from a plan that is qualified under Code Section 401(a) and that has a trust

exempt from taxation under Code Section 501(a). The Plan shall only accept a rollover distribution or transfer in cash. The amount of such distribution or transfer shall be held in the Participant's Rollover Account. Such Account shall be invested in accordance with Article VII and shall be adjusted for debits and credits in accordance with Section 6.5 of Article VI.

Section 3.7 Catch-up Contributions

All Employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the calendar year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of sections 402(g) and 415 of the Code. This Section applies as of January 1, 2002 but shall only be effective after administrative procedures, which the Benefits Managers considers to be sufficient, have been implemented to account for and process catch-up contributions under Code section 414(v) (including, but not limited to, the adoption of appropriate payroll processing procedures).

ARTICLE IV EMPLOYER CONTRIBUTIONS

Section 4.1 Employer Contributions

The Employer shall contribute "Employer Contributions" for each Participant of an amount equal to:

- (a) One hundred percent (100%) of the Participant's

 Pretax Contributions up to two percent (2%) of the

 Participant's Earnings for such payroll period; and
- (b) Fifty percent (50%) of the Participant's Pretax

 Contributions in excess of two percent (2%) but not in excess of four percent (4%) of the Participant's

 Earnings for such payroll period.

Section 4.2 Remittance of Employer Contributions

Employer Contributions shall be remitted to the Trustee as soon as practicable after each payroll period for which such Contributions are made and shall be allocated to each Participant's Employer Account.

Section 4.3 Disposition of Forfeitures

Amounts forfeited by Participants in accordance with Section 9.4 of Article IX, less any forfeitures used to restore reemployed Participants' Employer Accounts under such Section until the individual liabilities to restore these accounts expire, these and any excess amounts resulting from the limitations in Sections 5.3 (pursuant to Section 5.4) and 5.6 of Article V shall be used first to fund expenses of the Plan and then to reduce Employer Contributions made under Section 4.1.

Section 4.4 Return of Employer Contributions

In the event an Employer Contribution is:

- (a) made under a mistake of fact, or
- (b) conditioned upon qualification of the Plan under Code Section 401(a) and the Plan does not so qualify,

the Contribution may be returned to the Employer within one (1) year after the payment of the mistaken Contribution, or the date of denial of the qualification of the Plan, whichever is applicable. All Employer Contributions shall be deemed to be conditioned upon the qualification of the Plan under Code Section 401(a).

ARTICLE V

NONDISCRIMINATION REQUIREMENTS AND MAXIMUM ANNUAL ADDITION

Section 5.1 Nondiscrimination Requirements for Pretax Contributions

For any Plan Year, to the extent, if any, required under Code Sections 401(a)(4), 401(k) or 402(e)(3) and any regulations, revenue rulings, revenue procedures, notices or other guidance thereunder, with respect to a governmental plan (as defined in Code section 414(d)), the amount of Pretax Contributions must satisfy either Subsection (a) or (b) as set forth below:

- (a) The Average Deferral Percentage for Highly

 Compensated Employees for the Plan Year may not

 exceed one and twenty-five one-hundredths (1.25)

 times the Average Deferral Percentage for

 Nonhighly Compensated Employees for the previous

 Plan Year, or
- (b) The Average Deferral Percentage for Highly Compensated Employees for the Plan Year:
 - (1) may not exceed two (2) times the Average

 Deferral Percentage for Nonhighly

 Compensated Employees for the Previous Plan

 Year, and

(2) may not exceed the Average Deferral

Percentage for Nonhighly Compensated

Employees for the previous Plan Year by more
than two (2) percentage points.

The Benefits Program manager is responsible for monitoring the Plan throughout the Plan Year and for taking whatever action, if any, is deemed necessary or advisable to ensure compliance with this Section.

Section 5.2 Excess Pretax Contributions

If for any Plan Year it is determined that the nondiscrimination requirements under Section 5.1 are not satisfied:

- (a) Certain Highly Compensated Employees shall have the Pretax Contributions made on their behalf reduced, beginning with the Pretax Contributions of the Highly Compensated Employee with the greatest amount of Pretax Contributions, and successively reducing the amount of Pretax Contributions of Highly Compensated Employees until the nondiscrimination requirements set forth in Section 5.1 are satisfied.
- (b) A Highly Compensated Employee who has had the

 Pretax Contributions made on his behalf reduced

under Subsection (a) shall have the amount of such reduction and income allocable, thereto paid in cash to him. For purposes hereof, the income allocable to excess Pretax Contributions shall be determined by multiplying the income for the Plan Year allocable to Pretax Contributions and amounts treated as Pretax Contributions by a fraction, the numerator of which is the excess Pretax Contributions of the Employee for the Plan Year and the denominator of which is the sum of the total account balance of the Employee attributable to Pretax Contributions and amounts as treated as Pretax Contributions as of the beginning of the Plan Year plus the Employee's Pretax Contributions and amounts treated as Pretax Contributions for the Plan Year. Payment shall be made within two and one-half (2-1/2)months following the last day of the Plan Year for which the reduction was necessary, if practicable, but in no event later than the last day of the Plan Year following such Plan Year.

Section 5.3 Nondiscrimination Requirements for Employer Contributions

For any Plan Year, to the extent, if any, required under Code

Sections 401(m) or 401(a)(4) and any regulations, revenue

rulings, revenue procedures, notices or other guidance

thereunder, with respect to a governmental plan (as defined in

Code Section 414(d)), Employer Contributions must satisfy either

Subsection (a) or (b) as set forth below:

- (a) The Average Contribution Percentage for Highly
 Compensated Employees for the Plan Year may not
 exceed one and twenty-five one-hundredths (1.25)
 times the Average Contribution Percentage for
 Nonhighly Compensated Employees for the previous
 Plan Year; or
- (b) The Average Contribution Percentage for Highly
 Compensated Employees for the Plan Year:
 - (1) may not exceed two (2) times the Average

 Contribution Percentage for Nonhighly

 Compensated Employees for the previous Plan

 Year, and
 - (2) may not exceed the Average Contribution

 Percentage for Nonhighly Compensated

 Employees for the previous Plan Year by more
 than two (2) percentage points.

The Benefits Program Manager is responsible for monitoring the Plan throughout the Plan Year and for taking whatever action, if any, is deemed necessary or advisable to ensure compliance with this Section.

Section 5.4 Excess Aggregate Contributions

If for any Plan Year it is determined that the applicable nondiscrimination requirements under Section 5.3 are not satisfied, excess aggregate contributions and income allocable thereto shall be forfeited, to the extent that they are not vested pursuant to Plan Section 9.3, or, if vested, shall be distributed to the appropriate Highly Compensated Employees after the close of the Plan Year in which such excess arose and within twelve months after the close of the Plan Year. For purposes hereof, the income allocable to excess aggregate contributions shall be determined by multiplying the income for the Plan Year allocable to Employer Contributions by a fraction, the numerator of which is the excess aggregate contributions of the Employee for the Plan Year and the denominator of which is the total account balance of the Employee attributable to Employer Contributions as of the beginning of the Plan Year, plus the Employee's Employer Contributions for the Plan Year. Amounts returned (or forfeited if applicable) shall be the amounts for Highly Compensated Employees who have the highest

amount of Contributions, and successive amounts shall be returned or forfeited in the manner described in Section 5.2 above, until the amounts remaining satisfy the applicable requirements of this Section and Section 401(m) of the Code.

Section 5.5 Additional Nondiscrimination Limitation

(a) For any Plan Year in which the nondiscrimination requirements in Section 5.1 and 5.3 are applicable and are satisfied solely by using the limit set forth in Subsection (b) in both Sections, then the following requirements must be satisfied:

The sum of the Average Deferral Percentage and the Average Contribution Percentage for the Highly Compensated Employees for the Plan Year may not exceed the greater of paragraph (1) or (2) as set forth below:

- (1) The sum of:
 - (A) One and twenty-five one-hundreds (1.25)
 times the greater of the previous Plan
 Year's
 - (i) Average Deferral Percentage of the Nonhighly Compensated Employees;

or

- (ii) Average Contribution Percentage of the Nonhighly Compensated Employees; plus
- (B) the lesser of:
 - (i) Two (2) times the lesser of (A) (i) and (A) (ii); or
 - (ii) Two percentage points (2%), plus the lesser of (A)(i) and (A)(ii).
- (2) The sum of:
 - (A) One and twenty-five one-hundreds (1.25)
 times the lesser of the previous Plan
 Year's
 - (i) Average Deferral Percentage of the Nonhighly Compensated Employees; or
 - (ii) Average Contribution Percentage of the Nonhighly Compensated Employees; plus
 - (B) The lesser of:
 - (i) Two (2) times the greater of(A) (i) and (A) (ii), or

- (ii) Two percentage points (2%) plus the greater of (A)(i) and (A)(ii).
- (b) If the nondiscrimination requirements under

 Subsection (a) are not satisfied, the Deferral

 Percentage of the Highly Compensated Employees

 shall be reduced and distributed in accordance

 with Section 5.2 until the nondiscrimination

 requirements under Subsection (a) are satisfied.

Section 5.6 Annual Addition Limitation

- (a) In no event shall the annual addition made on behalf of a Participant during any Plan Year exceed the lesser of:
 - (1) Thirty thousand dollars (\$30,000) for Plan
 Years commencing prior to January 1, 2002
 (\$40,000 for Plan Years commencing on or
 after January 1, 2002), as adjusted for
 increases in the cost-of-living under Code
 section 415(d), or, for limitation years
 starting before December 31, 1994, onefourth (1/4) of the dollar limitation under
 Code Section 415(b) (1) (A) if greater, and
 - (2) Effective for Plan Years commencing prior to January 1, 2002, twenty-five percent (25%) of the amount of the Participant's

compensation for the Plan Year. Effective for Plan Years commencing on or after January 1, 2002, this limit shall be equal to one-hundred percent (100%) of the amount of the Participant's compensation for the Plan Year.

- (b) For purposes of this Section 5.6, the term "annual addition" shall mean the sum, for any given Plan Year, of Pretax Contributions and Employer Contributions to this Plan and Employee contributions, if any, to a defined benefit plan maintained by the Employer.
- (c) Effective with respect to limitation years after
 1997, for purposes of this Section 5.6, the term
 "compensation" shall have the meaning set forth
 in Code section 415(c)(3).
- (d) Any excess resulting from these limits that,
 effective January 1, 2002, are not treated as
 catch-up contributions under Code section 414(v),
 shall be treated as forfeitures and shall be
 treated in accordance with Section 4.3 of Article
 IV.

Section 5.7 Limitation for Participants in a Combination of
Qualified Defined Contribution and Defined
Benefit Plans

Effective for Plan Years commencing prior to January 1, 2000, notwithstanding the foregoing, in the case of a Participant who is a participant in the qualified defined benefit plan maintained by the Employer, the sum of the defined contribution plan fraction and the defined benefit plan fraction for any Plan Year shall not exceed one (1). For purposes of applying the limitations of this Section 5.7, the following rules shall apply:

- (a) The term "defined contribution plan fraction"

 shall mean the actual aggregate annual additions

 to the Plan determined as of the close of the

 Plan Year, over the sum of all years of a

 Participant's service or the lesser for each Plan

 Year of:
 - (1) The maximum dollar limit payable under

 Subsection 5.6(a) for the Plan Year times

 one and twenty-five one-hundreds (1.25), and
 - (2) The percentage of compensation limit under Code Section 415(b) for the Plan Year times one and four-tenths (1.4).

(b) The term "defined benefit plan fraction" shall mean the annual benefit attributable to Employer contributions payable under the qualified defined benefit plan maintained by the Employer, Determined as of the close of the Plan Year, over the lesser of:

- (1) The maximum dollar limit payable under Code
 Section 415(b) for the Plan Year times one
 and twenty-five one-hundredths (1.25), and
- (2) The percentage of compensation limit under Code Section 415(b) for the Plan Year times one and four tenths (1.4).

The terms "annual addition" and "compensation" shall have the meanings set forth in Subsection 5.6(b) and Subsection 5.6(c), respectively.

Effective for Plan Years commencing prior to January 1, 2000, if a Participant participates in the qualified defined benefit plan maintained by the Employer and he is affected by the limitation prescribed in this Section 5.7, prior to making any adjustment in the contributions made to this Plan, the benefit payable under the qualified defined benefit plan shall be reduced to the extent necessary to meet the limitation in the particular Plan Year.

ARTICLE VI

PARTICIPANT ACCOUNTS

Section 6.1 Employee Account

The value of a Participant's Pretax Contributions shall be accounted for in his Employee Account.

Section 6.2 Rollover Account

The value of any rollover contributions or transfers made under Section 3.6 of Article III by an Employee from the plan of a former employer shall be accounted for in his Rollover Account.

Section 6.3 Employer Account

The value of Employer Contributions allocated to the Participant shall be accounted for in his Employer Account.

Section 6.4 Valuation of Assets

The Trustee shall determine the fair market value of Plan assets as of the close of business on each Valuation Date.

Section 6.5 Allocation of Investment Results

As of each Valuation Date, Plan assets and the Accounts of each Participant shall be valued by the Trustee. The Benefits Program Manager shall maintain or shall cause to be maintained records so that, as of each Valuation Date, the Accounts of each Participant shall, in an equitable manner, appropriately reflect investment results and Plan expenses, to the extent not paid by the Employer in accordance with Section 12.5 of Article XII.

ARTICLE VII

INVESTMENT OF CONTRIBUTIONS

Section 7.1 Investment Funds

The agreement entered into between the Commander and the Trustee pursuant to Section 12.3 of Article XII to invest and retain Plan assets shall provide at least one investment fund option for the period from January 1, 1992 through March 31, 1992 and at least three (3) investment fund options thereafter, with a minimum of five (5) investment fund options being offered as soon as practical, in which Participants can invest the value of their Employee, Rollover, and Employer Accounts.

Section 7.2 Election of Investment Fund for Contributions

A Participant shall direct, at the time he becomes a Participant in the Plan, or at such other appropriate time permitted by the Benefits Program Manager, on forms or in a manner prescribed by the Benefits Program Manager, the manner in which his Employee and Employer Contributions and/or Rollover Account are to be invested. Investments shall be made in one (1) or more of the investment funds available under Section 7.1.

Section 7.3 Change in Election of Investment Fund for Future Contributions

At the discretion of the Benefits Program Manager and subject to any limitations imposed by the Trustee, each Participant may, on forms or in a manner prescribed by the Benefits Program Manager, change his investment election for future Employee and Employer Contributions. Changes may be made at any time during the Plan Year and shall become effective on the Entry Date coincident with or next following the filing of the forms or as soon as practicable thereafter.

Section 7.4 Change in Election of Investment Fund for Past Contributions

At the discretion of the Benefits Program Manager and subject to any limitations imposed by the Trustee, each Participant may, on forms or in a manner prescribed by the Benefits Program Manager, transfer all or a portion of the value of his Employee,

Employer, and Rollover Accounts, from one fund to another fund.

Transfers may be made at any time during the Plan Year and shall become effective on the Entry Date coincident with or next following the filing of the forms or as soon as practicable thereafter.

ARTICLE VIII

WITHDRAWALS

Section 8.1 Hardship Withdrawals

- (a) A Participant who is an Employee (or who is a former Employee who has elected to continue participation pursuant to Section 2.5 of Article II) may, in the event of hardship, be permitted to make a withdrawal from his Employee and Rollover Accounts. For purposes of this Section 8.1, the term "hardship" shall mean
 - (1) Medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's Spouse or any dependents of the Participant;
 - (2) Purchase (excluding mortgage payments) of a principal residence for the Participant;
 - (3) Payment of tuition, related educational fees and room and board expenses for the next twelve (12) months of post-secondary education for the Participant, his Spouse, children or dependents;
 - (4) The need to prevent the eviction of the

 Participant from his principal residence or

- foreclosure on the mortgage of the Participant's principal residence; and
- (5) Any other circumstances of sufficient severity that the Internal Revenue Service announces as being a "hardship" under Code Section 401(k).
- (b) A request for a withdrawal under this Section 8.1 shall be made on forms and in a manner prescribed by the Benefits Program Manager. The Benefits Program Manager shall establish a uniform and nondiscriminatory policy for viewing withdrawal applications and any determination made by the Benefits Program Manager shall be final but subject to appeal under Section 13.1 of Article XIII.
- (c) The amount necessary to fund the withdrawal shall be debited first from the value of the Participant's Rollover Account. Any further amounts necessary shall next be debited from the value of the Participant's Employee Account to the extent such Account represents Pretax Contributions and not earnings on those Contributions.

Notwithstanding Section 3.1 of Article III, a Participant who receives a hardship withdrawal that consists in whole or part of Pretax Contributions shall not be permitted to have Pretax Contributions made on his behalf during the twelve (12) months following his receipt of such withdrawal. Furthermore, the maximum Pretax Contributions such Participant is permitted to have made on his behalf under Code Section 402(g) for the Plan Year following the Plan Year of the hardship withdrawal shall be reduced by the amount of Pretax Contributions made on behalf of the Participant in the Plan Year of the hardship withdrawal. Notwithstanding the foregoing, a Participant who receives a hardship distribution of Pretax Contributions after 31 December 2001 shall be prohibited from making Pretax Contributions under this and all other plans of the Employer for 6 months after receipt of the distribution. A Participant who receives a hardship distribution of Pretax Contributions in calendar year 2001 shall be prohibited from making Pretax Contributions under this and all other plans of the Employer for 6 months after

(d)

receipt of the distribution or until January 1, 2002, if later.

(e) The value of a Participant's Employee and

Rollover Accounts shall be determined by the

Trustee as of the Valuation Date coincident with

or next following the date on which the Trustee

receives the request for the withdrawal. The

amount of a withdrawal shall be paid to the

Participant in cash on the earliest practicable

date following such Valuation Date.

Section 8.2 Loans from Accounts

The Benefits Program Manager is authorized to establish and administer a loan program as provided herein.

(a) A vested Participant who is an active Employee
may request a loan from the Plan. Loans will be
processed weekly unless the Benefits Program
Manager determines otherwise. Any such loan will
be made from the assets of, and will be charged
against the borrower's Plan Account, and shall be
charged first against the borrower's Rollover
Account and then, if necessary, against the
borrower's Employee Account and finally, if
necessary, charged against the borrower's

Employer Account (if vested). Further, the loan will be withdrawn from the investment funds on a pro rata basis. A borrower may continue to make Pretax Contributions pursuant to Section 3.1(a) of the Plan regardless of whether or not the borrower has an outstanding loan balance under the Plan so long as the borrower is not in default under the events of default set forth in Section (h) and the borrower's Loan Agreement.

- (b) A borrower must have a vested Plan Account balance of at least two thousand dollars (\$2,000.00) to borrow from the Plan.
- (c) The minimum amount which a borrower may borrow at any one time from the Plan, exclusive of interest, may be no less than one thousand dollars (\$1,000.00). The maximum amount which a borrower may borrow from the Plan may not exceed the lesser of:
 - (1) fifty thousand dollars (\$50,000.00), reduced by the excess, if any, of the highest outstanding balance of loans from the Plan to the borrower during the one (1) year period ending on the day before the date on which such loan was made, over the

outstanding balance of loans from the Plan to the borrower on the date on which such loan was made; or

- (2) fifty percent of the borrower's combined vested interest in the borrower's Plan Account, determined as of the origination date of the loan. In no event will a loan be made which would be taxed under Code Section 72(p) as a distribution from the Plan.
- (d) Loans will be available to all Participants on a reasonably equivalent basis, without regard to an individual's race, color, religion, age, sex, national origin, ancestry, physical or mental disability or handicap. In approving loans, the Benefits Program Manager will not discriminate in favor of highly compensated employees (within the meaning of Code section 414(q) as to the general availability of loans, as to the terms of repayment, or as to the amount of such loans in proportion to the vested portion of the borrower's Plan Account. Notwithstanding anything in this Plan to the contrary, all loans

- will comply with the requirements of Code Section 4975 and the regulations issued thereunder.
- (e) The Benefits Program manager will not take the purpose of the loan into account in approving or disapproving a loan application, except as may be required for purposes of paragraph (h) below.
- Each loan will bear a rate of interest to be no (f) more than 1% over the prime rate, as published in the Wall Street Journal on the first business day of the calendar quarter, for that calendar quarter. The Benefits Program Manager will establish the interest rate on a quarterly basis. The Benefits Program Manager will not discriminate among borrowers in the matter of interest, but loans may bear different interest rates if, in the Benefits Program Manager's opinion, the difference is justified by different terms for repayment, the security of the collateral, or changes in economic conditions. No loans will be granted during any period in which the reasonable commercial interest rate for money loaned under similar circumstances exceeds the maximum legal rate that may be charged to

- individuals for loans of this nature under applicable usury laws.
- (g) Each loan, to the extent of the amount of the indebtedness, including interest, will be secured by the assignment of the borrower's vested Plan Account, determined as of the origination date of the loan, supported by the borrower's collateral promissory note for the payment of the indebtedness, including interest, payable to the order of the Trust. No more than fifty percent (50%) of the borrower's vested Plan Account, determined as of the origination date of the loan, may be used as collateral for loans hereunder.

Subject to applicable provisions of law, each loan will be further supported by the borrower's execution of an agreement, in a form specified by the Benefits Program Manager, to repay the loan over a term and in a manner specified by the Benefits Program Manager. The assignment of any part of the borrower's Account provided for above will be void for any period of time during which the loan fails to comply with Code section 4975(d)(1).

Except as provided in regulations or other formal (h) guidance issued by the Secretary of the Treasury or by the Department of Labor, loans will be repaid by payroll deductions, or, if a Participant's pay is not processed by the Defense Finance and Accounting Service's NAF Financial Services, pursuant to a debit authorization arrangement agreed to by the Benefits Program Manager, with such repayments or debits established in the dollar amount required by the loan. Any loan to a borrower will be repaid in such manner and over such period as will constitute level amortization of such loan over the term of the loan (biweekly, except as defined in Section (o)). The term of the loan will be established in six month increments (i.e. 6 months, 12 months, 18 months, etc.) unless the Benefits Program Manager determines otherwise, and will not exceed such period (not to exceed five years (except in the case of a loan used to acquire the Participant's principal residence) or such longer period as may be allowed without causing the loan to be taxed under Code Section 72(p) as a distribution from the Plan) as the Benefits Program Manager will determine.

payments by a borrower on any such loan, including interest, will be credited to such borrower's Plan Account. Funds will be reinvested into the investment funds according to the Participants' current investment elections.

Loans may not be repaid at an accelerated rate except in the case of lump sum repayments.

The events of default will be listed specifically in the borrower's Loan Agreement. The Loan Agreement provisions are deemed part of the Plan with respect to that borrower. Generally, a borrower is in default if one or more of the following events occurs:

(1) failure to pay any loan obligation when due;

the borrower's termination of employment.

(2) the borrower's death or retirement; or

(3)

If a borrower defaults in the repayment of the loan, the borrower's Plan Account will be charged with the full unpaid balance of the loan including any accrued but unpaid interest, as of the distribution of a portion or all of his or her Plan Account, provided however there will be

no foreclosure on the note and or attachment of

the security until a distributable event occurs in the Plan. Any costs incurred by the Trust or Benefits Program Manager in collecting amounts due, including attorney's fees, will be added to the principal balance of the loan and treated accordingly.

- (i) No loan will be made to a Participant unless the Participant consents, in writing, to the loan and to the fact that, if the loan defaults, the Participant's Plan Account may be reduced as provided in Section (h), before the Participant attains the age of sixty-five (65), provided however there will be no foreclosure on the note and or attachment of the security until a distributable event occurs under the Plan. deemed distribution in the event of default will not occur prior to the end of the quarter following the quarter of default. The consent of the Participant is made upon endorsement of the loan check, drawn in agreement with the Participant's instructions.
- (j) Prior to January 1, 2002, no other loan distribution under the Plan will be made to any Participant unless all unpaid loans, including

accrued interest, have been repaid or otherwise discharged. Notwithstanding the foregoing, effective 1 January 2002, a Participant may request up to three loans, one of which is a primary residence loan and two of which are general loans, provided that the loans collectively satisfy the dollar amount and multiple loan limitations for loans from qualified plans under Section 72(p) and Treasury Regulations (final or proposed) thereunder.

- (k) A loan made to a borrower will not be treated as an assignment or alienation of any portion of the borrower's Plan Account due to the fact that the loan will be secured by the borrower's Plan Account, and all loans made to Participants will be exempt from the tax imposed on prohibited transactions under Code section 4975(d)(1).
- (1) The Benefits Program Manager will ensure that
 every borrower receives a statement which
 describes the procedure for loan application, the
 events constituting default and the steps which
 will be taken by the Plan in the event of
 default, and a clear statement of the charges
 involved in each loan transaction. The statement

of charges will include the dollar amount of the loan and the annual interest rate.

- (m) This Section 8.2 will become effective October 1,
- (n) Any loan origination fees and annual maintenance fees charged by the Investment Manager will be the responsibility of the Participant and will be made part of the loan amount.
- (o) An Employee active on the rolls will not be considered in default if it can be determined that said Employee is in a Leave Without Pay Status (LWOP) for one of the following reasons:
 - (1) military furlough,
 - (2) business based action furlough,
 - (3) a condition which is compensable under worker's compensation, or
 - (4) employees in LWOP under the Family Leave

 Act, until 12 months of LWOP have occurred.

The borrower will have the option of having the loan reamortized for the remainder of the original term of the loan or making one lump sum payment for the LWOP period at the end of the 12 month LWOP period. The total time period of the

loan cannot exceed five years when combined with LWOP periods. This section does not apply to anyone who is separated from employment for any reason. In the case of a military leave, loan repayments will be suspended under this Plan as permitted under Section 414(u)(4) of the Code.

ARTICLE IX

ENTITLEMENT TO BENEFITS

Section 9.1 Retirement

A Participant who retires from employment with the Employer on or after his Normal Retirement Date shall be entitled to receive a retirement benefit equal to one-hundred percent (100%) of the value of his Accounts. The value of the Participant's Accounts shall be paid to the Participant as soon as practicable following the date he terminates employment, subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and in a manner prescribed by the Benefits Program Manager.

Section 9.2 Disability

A Disabled Participant shall be entitled to receive a disability benefit equal to one hundred percent (100%) of the value of his Accounts. A Disabled Participant may elect to receive the value of his Accounts as soon as practicable following the date on which he becomes a Disabled Participant or he may elect to delay the distribution of his Accounts subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and in a manner prescribed by the Benefits Program Manager.

Section 9.3 Termination of Employment and Vesting

Except as otherwise provided in Section 2.6 above, a Participant whose employment with the Employer is terminated for any reason other than retirement in accordance with Section 9.1, Disability in accordance with Section 9.2, or death in accordance with Section 9.5 shall be entitled to receive:

- (a) One hundred percent (100%) of the value of his Employee and Rollover Accounts; and
- (b) A percentage of the value of his Employer Account based on his Years of Service in accordance with the following schedule.

	Nonforfeitable
Years of Service	Percentage
Less than 3	0%
3 or more	100%

A Participant may elect to receive the value of his Accounts as soon as practicable after his termination of employment or he may elect to delay the distribution of his Accounts, subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and in a manner prescribed by the Benefits Program Manager.

Section 9.4 Forfeitures

A Participant who does not have a one hundred percent (100%) nonforfeitable interest in his Employer Account and whose employment with the Employer is terminated under Section 9.3 shall forfeit his Employer Account. Such forfeiture shall be effective on the first day of the month following the month in which the Participant incurs a Break in Service. In the case of an Electing Participant pursuant to Section 2.6 of Article II, the amounts in his Account which are treated as never having been contributed pursuant to said Section 2.6 shall be handled in the same manner as a forfeiture. Forfeited amounts shall be treated in accordance with Section 4.3 of Article IV.

A Participant or former Participant who is subsequently reemployed by the Employer prior to incurring five (5) consecutive Breaks in Service shall have his forfeited Employer Account restored to him as soon as practicable following his reemployment. Restoration shall be made by using forfeitures occurring during the Plan Year of reemployment and, if necessary, the Employer shall make a contribution on behalf of such Participant to restore the full amount of the forfeiture.

Section 9.5 Death

- (a) The Beneficiary of a Participant who dies while actively employed by the Employer shall be entitled to receive a death benefit equal to one hundred percent (100%) of the value of the Participant's Accounts.
- (b) The Beneficiary of a Participant who dies after terminating employment with the Employer but prior to receiving a distribution of his Accounts in accordance with Section 10.1 of Article X shall be entitled to receive as a death benefit the nonforfeitable portion of the Participant's Accounts to which the Participant was entitled under Section 9.1, 9.2 or 9.3, as the case may be, on the day he terminated employment.
- (c) A Beneficiary shall receive the value of the
 Participant's Accounts as soon as practicable
 following the Participant's death.

 Notwithstanding the foregoing, if the Beneficiary
 is the Participant's Spouse, the Spouse may elect
 to delay the distribution of his Accounts,
 subject to the provisions of Section 10.2 of
 Article X. Elections shall be made on forms and

in a manner prescribed by the Benefits Program Manager.

Section 9.6 Beneficiary

Each Participant shall designate, on forms prescribed by the Benefits Program manager, one (1) or more Beneficiaries to receive any amounts that may be payable under the Plan because of such Participant's death.

Such designation may be changed by the Participant at any time by giving written notice to the Benefits Program Manager. If the designated Beneficiary is not living at the time any amounts become payable, any such amounts shall be paid to the estate of the deceased Participant.

Notwithstanding the foregoing, a married Participant shall not be permitted to elect a Beneficiary other than his Spouse, unless such Spouse has given written consent to the Participant's election. The consent shall acknowledge the effect of the election, name the specific Beneficiary or class of Beneficiaries, and have been witnessed by a Plan representative or a notary public, unless it is established to the satisfaction of the Benefits Program Manager that the consent cannot be obtained because there is no Spouse, because the Spouse cannot be located or because of such other circumstances as may be

determined by the Benefits Program Manager. If the Spouse does not consent to such election, or if no election has been made, the Participant's Beneficiary shall be his Spouse.

ARTICLE X

DISTRIBUTION OF BENEFITS

Section 10.1 Form of Benefit Payment

Any amounts payable under the Plan to a Participant or a Beneficiary shall be paid in cash in a single lump sum.

Section 10.2 Benefit Commencement

Distributions shall be made as soon as practicable after the Valuation Date coincident with or next following the event causing the distribution or the date the Participant or spousal Beneficiary, as the case may be, who elects to delay the distribution of his Accounts in accordance with Section 9.2, 9.3 or 9.5 of Article IX, elects to receive his Accounts; provided that a distribution from the Plan shall not commence later than the April 1st following the later of the calendar year in which a Participant attains age seventy and one-half (70-1/2) or retires.

Notwithstanding the foregoing, effective as of 1 January 2000, for Participants who attain age seventy and one-half (70 1/2) on or after 1 January 2000 and who have not yet retired and who are not yet in pay status, distribution of benefits from the Plan shall not commence prior to retirement; provided, however, that

in no event shall commencement of benefit distributions from the Plan be delayed beyond 1 April of the calendar year following the later of the calendar year in which the Participant attains age seventy and one-half (70 1/2) or retires.

Section 10.3 Direct Rollovers

- (a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article X, a distributee may elect, at the time and in the manner prescribed by the Benefits Program Manager, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this section, the following terms shall be defined as follows:
 - (1) Effective for post-1998 Plan Years, eligible rollover distribution has the meaning given to it under Code section 402(c)(4).
 - (2) Eligible retirement plan has the meaning given to it under Section 402(c)(8)(B) of the Code. With respect to distributions

commencing prior to 1 January 2002, in the case of an eligible rollover distribution to a surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

- Employee or former Employee. In addition,
 the Employee's or former Employee's
 Surviving Spouse and the Employee's or
 former Employee's Spouse or former Spouse
 who is the alternate payee under a qualified
 domestic relations order, as defined in
 Section 414(p) of the Code, are distributees
 with regard to the interest of the Spouse or
 former Spouse.
- (4) Direct rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (b) The Benefits Program Manager shall prescribe reasonable procedures for the election of direct rollovers under this section, including, but not limited to:

- (1) Requirements that the distributee provide the Benefits Program Manager with adequate information, including, but not limited to, the name of the eligible retirement plan to which the rollover is to be made; a representation that the recipient plan is an individual retirement plan, a qualified plan, a 403(a) annuity, or any other arrangement or plan that qualifies as an eligible retirement plan (as applicable); acknowledgment from the recipient plan that it will accept the direct rollover; and any other information necessary to make the direct rollover;
- (2) Requirements that direct rollover elections

 be made within the time periods permitted

 for electing optional forms of payment

 pursuant to this Article X;
- (3) Requirements prohibiting the division of an eligible rollover distribution into separate distributions to be paid to more than one eligible plan; and

- (4) Limitations on the amount of a direct rollover, providing that direct rollover may not be elected by a distributee whose eligible rollover distributions during a year are reasonably expected to be less than \$200 and providing that, in the case of a distributee who elects to receive part of his distribution in cash and to have the remainder paid to an eligible retirement plan, the portion to be directly rolled over must be equal to at least \$500.
- (c) If a distribution is one to which Sections

 401(a)(11) and 417 of the Code do not apply, such
 distribution may commence less than 30 days after
 the notice required under Section 1.411(a)-11(c)
 of the Income Tax Regulations is given, provided
 that:
 - (1) the Benefits Program manager clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(2) the Participant, after receiving the notice, affirmatively elects a distribution.

ARTICLE XI

AMENDMENT AND TERMINATION

Section 11.1 Right to Amend or Terminate

The Commander intends to continue the Plan described herein as a permanent program. However, the Commander specifically reserves the right to amend, suspend or terminate the Plan described herein at any time and for any reason, except that no amendment, suspension or termination of the Plan shall affect adversely any benefit theretofore accrued to Participants or Beneficiaries, and further provided that no amendment, suspension or termination of the Plan may be made which would permit any part of the Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants of the Plan and their Beneficiaries and defraying reasonable expenses of administering In the event of termination or partial termination of the Plan or complete discontinuance of Employer Contributions, the rights of each Participant to benefits accrued to the date of such termination or discontinuance shall be nonforfeitable with respect to each Participant affected by such termination or discontinuance.

Section 11.2 Asset Allocation

In the event of the final or partial termination of the Plan, the assets of the Trust, less any amounts constituting charges and expenses payable from such assets, together with any earnings produced by such assets following such termination shall be distributed by the Trustee to the Participants entitled thereto.

ARTICLE XII

ADMINISTRATION

Section 12.1 Appointment of Benefits Program Manager

The Commander shall appoint a Benefits Program Manager who shall be responsible for all administrative functions of the Plan other than those assigned to the Trustees.

Section 12.2 Powers and Duties of Benefits Program Manager

- (a) The Benefits Program Manager shall have the exclusive right to interpret the Plan and to decide any matters arising hereunder in the administration and operation of the Plan, and any interpretations or decisions so made shall be conclusive; provided that such interpretations and decisions shall be uniformly applied to all Employees similarly situated.
- (b) The Benefits Program Manager's duties and responsibilities shall include, but not be limited to, the following:
 - (1) To make and enforce such rules and regulations as he shall deem necessary for the efficient administration of the Plan;

- (2) To determine the eligibility of any Employee to participate in the Plan, compute the amount of benefits which shall be payable to any Participant or Beneficiary in accordance with the provisions of the Plan and to authorize payment;
- (3) To permit Participants to direct the investment of all or a portion of Trust assets credited to the Accounts of such Participants in accordance with Section 7.1 of Article VII.

Section 12.3 Trust

The Commander shall enter into an agreement with the Trustees to establish a Trust which shall hold contributions made under the Plan and earnings thereon. The agreement shall contain provisions governing the authority of the Trustees with respect to the Plan and Plan assets, the authority of the Commander to amend the agreement and to terminate the agreement, and such other provisions as the Commander may deem appropriate. A Participant or Beneficiary or any other individual claiming the right to a payment under the Plan shall be entitled to look only to the Trust for such payment. No liability for the payment of

benefits under the Plan shall be imposed upon the Employer, the Commander, the Benefits Program Manager or the Trustees.

Section 12.4 Investment of Plan Assets

The Trustee shall have exclusive responsibility for investment of Plan assets unless the Benefits Program manager permits

Participants to direct the investment of all or any of their

Accounts pursuant to Subsection 12.2(b)(3).

Section 12.5 Expenses

All reasonable fees and expenses of administration, including without limitation, fees of legal counsel, consultants, and the Trustees, shall be paid from the assets of the Plan to include unencumbered balances in the forfeiture account pursuant to Section 4.3 of Article IV, to the extent not paid by the Employer, except that former Employees for whom an Employee Account, a Rollover Account and/or an Employer Account is maintained shall be responsible for payment of account maintenance charges imposed by the Plan's recordkeeper; such charges shall firstly be subtracted from the value of the former Employee's Employee Account, secondly from the former Employee's Employer Account, but only if such Participant was vested in the Employer Account in accordance with Article IX at the time the Employee became a former Employee. No individual carrying out

Plan functions who receives full-time compensation from the Employer shall be compensated for his service rendered under the Plan.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Claims Procedure

In the event of any dispute arising out of any condition of this Plan, the dispute shall be stated in writing by the Participant or his Beneficiary and submitted for resolution to:

Commander
US Army Community and Family Support Center
ATTN: CFSC-HR-PB
Alexandria, Virginia 22302-4407

The judgment of the duly designated official of the Department of the Army shall be binding on all concerned.

Section 13.2 Assignment or Alienation

Except to the extent permitted by law, benefits under this Plan may not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to the debts, contracts, liabilities, engagements or torts of any such person, nor shall it be subject to attachment or legal process for or against such person. Anything in the foregoing to the contrary notwithstanding, the Benefits Program Manager may authorize

payments to an alternate payee under an approved qualified domestic relations order which meets such uniform and nondiscriminatory requirements as may be established by the Benefits Program Manager and approved by the Commander.

Section 13.3 No Guarantee of Employment

Nothing contained in this Plan shall be construed or interpreted as granting to any Employee the right to be retained in the service of the Employer, or as limiting or affecting adversely the right of the Employer to control its Employees or to terminate the service of any Employee at any time or for any reason.

Section 13.4 Number and Gender

Wherever used in this Plan, the singular shall include the plural and the masculine gender shall include the feminine, unless the context clearly indicates otherwise.

Section 13.5 Use of Subheadings

Subheadings are used in this document for convenience only and shall not be binding.

Section 13.6 Governing Law

Except where preempted by Federal law, all questions of interpretation, construction, operation, and effect of this Plan shall be governed by the laws of the Commonwealth of Virginia.